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Note by the Secretary-General

The Secretary-General has the honour to transmit herewith, for consideration by the General Assembly, a statement adopted by the Administrative Committee on Coordination (ACC) at its second regular session of 1994.

ANNEX

Statement by the Administrative Committee on Coordination

The Administrative Committee on Coordination (ACC) decided to adopt the following statement for submission to the General Assembly:

"The Administrative Committee on Coordination appreciated and welcomed the General Assembly's decision, in its resolution 47/216 of 23 December 1992, to request the International Civil Service Commission (ICSC) to 'study all aspects of the application of the Noblemaire principle with a view to ensuring the competitiveness of the United Nations common system', and to report thereon to the General Assembly at its forty-ninth session.

"ACC regrets that the response of ICSC to this request has been confined to a number of technical adjustments of a minor nature, and considers that this limited and fragmented approach does not respond to the letter and spirit of the General Assembly's request to 'study all aspects' of the application of the Noblemaire principle.

"A reappraisal of the 1921 principle, on which common system remuneration is based, is long overdue. Already in 1989, ACC had concluded and informed ICSC that the present remuneration system is unresponsive and outdated and must be overhauled to become competitive with bilateral and other multilateral financial and aid agencies. This message was reinforced in 1992, when ACC reported to the Fifth Committee that 'the conditions [of service] of the Professional and higher categories of staff are not competitive'. a/

"In 1993, ACC reiterated its concern at the continued lack of competitiveness of the conditions of service of the Professional and higher categories of staff, while new demands involving increasingly diverse and complex programmes were being placed on the United Nations system.

"Most recently, in March 1994, ACC again urged ICSC, in compliance with resolution 47/216, to make proposals this year to the General Assembly to improve the competitiveness of the United Nations common system conditions of service by including, in the application of the Noblemaire principle, the remuneration applicable to other international organizations which compete with organizations of the common system for staff. In June of this year, the Secretary-General's representative, addressing ICSC at its fortieth session, reiterated the problems being faced by the Secretary-General and his colleagues in ACC in attracting the best staff, while doubts persist that the common system remains competitive.

"ACC's basic concern, as repeatedly conveyed to both ICSC and the General Assembly, is thus to achieve a significant updating of the application of the Noblemaire principle which would reflect, inter alia, the internationalization of the labour market. The remuneration levels offered by other international employers, such as the World Bank and the

Coordinated Organizations, are known to be more competitive than those of the common system. In some of these organizations, remuneration may be more than 40 per cent higher for equivalent duties and responsibilities.

"Through the Consultative Committee on Administrative Questions (CCAQ), ICSC has been provided with a comparative analysis of the structures and programmes of work of three groups of international organizations and those of the United Nations common system and with a historical analysis of the compensation policies of the United Nations.

"These studies, inter alia, led to the following conclusions:

(a) The consistent thread of pay policy is the need to attract and retain staff of a high level of competence;

(b) There is nothing to prevent a redetermination of the manner in which the Noblemaire principle is currently applied in the framework of the United Nations common system of salaries, allowances and other conditions of service;

(c) There are significant similarities between the activities of the three international civil services (such as the World Bank, the Coordinated Organizations and the European Union) and those of the United Nations; they also compete for staff.

"The Commission's inaction in responding to the requests of the General Assembly and of executive heads of the common system cannot be justified by lack of information or technical support from organizations, which has been thorough and extensive. Such inaction further undermines the credibility of the current system to set conditions of employment, and may risk leading to unilateral attempts to remedy the deficiencies of the current application of the Noblemaire principle, to the detriment of the overall coherence of the system.

"ACC strongly urges the General Assembly to request ICSC to finalize the studies mandated by resolution 47/216 and to present them to ACC for its consideration at its next session in February 1995. Continuing delays will affect the efficiency and quality of the programmes which the common system is called upon to deliver to Member States. All parties to the Commission process must reach broad agreement on the bold and positive initiatives which are necessary for the effective functioning of the organizations of the United Nations common system."

Notes

a/ A/C.5/47/25, annex.